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**From:** Rao, Kate  
**Sent:** Mon 6/1/2015 1:49:37 PM  
**Subject:** EPA Oversight Of State Programs Tops IG's Report On Agency 'Challenges'

Nancy/David – See below highlighted section about CA UIC Program compliance.

Nancy – also highlighted a NPDES finding that may be an issue in R9 – article not specific on which regions.

Kate

#### EPA Oversight Of State Programs Tops IG's Report On Agency 'Challenges'

EPA's Inspector General (IG) says inadequate agency oversight of state environmental programs is one of several management “challenges” that the agency needs to address by stepping up its review of state efforts, citing examples of states failing to adequately implement laws and rules affecting air, water, hazardous waste and other issues.

In its [May 28 annual report](#) on the challenges facing EPA in fiscal year 2015, the IG cites five reports it has issued in the past year to justify tougher scrutiny of state activities by the agency and its regional offices, including instances of states not fully enforcing water, air and waste policies within their borders, and says EPA must do more to prevent similar incidents in the future.

Major agency management challenges as defined by the Government Performance and Results Act Modernization Act of 2010 “are programs or management functions, within or across agencies, that have greater vulnerability to waste, fraud, abuse and mismanagement where a failure to perform well could seriously affect the ability of an agency or the federal government to achieve its mission or goals,” according to the IG report.

While the IG highlights the problems of the agency's oversight of state environmental programs, the report notes that EPA is also taking steps to try and bolster its review of state efforts.

“The EPA is drafting a series of draft principles and best practices for state oversight activities for improving the oversight process for the National Pollutant Discharge Elimination System, Title V, and RCRA Subtitle C permitting programs. . . . While important progress has been made, our work continues to identify challenges throughout agency programs and locations, and many of our recommendations

remain to be fully implemented,” the IG says, noting that the principles are expected to be formally proposed in “the summer of 2015.”

As evidence that EPA must do more to improve state oversight the report points to findings from a series of 2014 and 2015 OIG investigations, including that the U.S. Virgin Islands failed to meet requirements for its air, water, drinking water and underground storage tank programs.

Other examples the IG cites in its state oversight section of the report include EPA Region 8 not conducting [required pesticide inspections](#) in North Dakota; that EPA headquarters officials failed to seek required drinking water state revolving fund project data from states; that the agency failed to properly oversee states' fee collections under Title V of the Clean Air Act; and that most EPA regions are “not adequately overseeing significant portions” of the water discharge permitting program as it applies to hazardous chemicals.

EPA has also struggled to bring states such as California into compliance with its underground injection control (UIC) rules governing oil and gas wells. California officials recently issued emergency regulations implementing [EPA's UIC standards](#) -- despite opposition from Democrats and environmentalists who said the wells should be summarily closed to avoid fouling drinking water aquifers during the state's drought crisis.

## **Management Challenges**

Each year the IG releases a report assessing the challenges facing EPA as an agency. This year's report restates all six such challenges the office identified in 2014, including state oversight. It says that while EPA has made progress in each area, “we retained all six management challenges from last year's list due to persistent issues.”

In addition to state oversight, the report says EPA faces challenges in encouraging the reuse of contaminated sites; managing chemical risks under the Toxic Substance Control Act (TSCA); analyzing its employees' workload to increase efficiency; improving its information technology to counter cybersecurity threats; and improving internal oversight for programs aimed at issues such as travel fraud and real property management.

Addressing EPA's oversight of states, the report notes that EPA has begun corrective action in response to each IG-cited incident, although it continues that “recent and ongoing [IG] and U.S. Government Accountability Office (GAO) work continues to support this as an agency management challenge.”

It notes as an example of progress [the agency's Oct. 1 policy](#) narrowing the definition of which facility air violations are “high priority” events triggering federal reporting requirements, which the IG identified as a concern in past years.

The IG also praises the agency's move to form a “senior-level workgroup” that has crafted recommendations for state oversight, and to integrate an interagency strategy on “Launching a New Era

of State, Tribal, Local, and International Partnerships” its strategic plan for FY 2014-18.

For the separate challenge on contaminated sites, IG says the agency needs to strengthen its monitoring and reporting requirements for cleanup projects to ensure that the activities are completed properly and that properties are not prematurely certified for reuse. It praises a recently developed guidance, “Institutional Controls: A Guide to Preparing Institutional Controls Implementation and Assurance Plans at Contaminated Sites,” but says the agency must still “improve controls over its guidance, review and reporting of site reuse accomplishments.”

On the agency's management of TSCA programs, the report urges EPA to “establish criteria and procedures for identifying classes of chemicals to undergo assessments for low-level and cumulative exposure assessments,” and to boost industry participation in the program to develop reduced-risk pesticides by revisiting its fee structure and crafting standardized metrics for non-agricultural uses of the chemicals.

The IG also says EPA should continue supporting the legislative push to [reform TSCA](#), which legislators in both parties have said is necessary to strengthen EPA's chemical regulatory authority.

The report on management challenges comes shortly after the IG submitted its [annual report to Congress](#) summarizing investigations it conducted in the previous year, although that document does not include overarching conclusions or recommendations for future agency or legislative action. -- *David LaRoss* ([dlaross@iwpnews.com](mailto:dlaross@iwpnews.com))

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